Jute packaging for foodgrains and sugar

1628. SHRI VIJAYKUMAR RUPANI: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that the Gujarat Government represented in May, 2006 to dilute/repeal the provisions of Compulsory Jute Packaging for foodgrains and sugar beyond 30th June, 2006, to protect plastic woven sack industries and also to check the import of jute bags from neighbouring countries;

(b) whether the 14th Standing Advisory Committee had recommended reservation of 75 per cent for foodgrains and 20 per cent for Sugar under the Jute Packaging Material Act, 1987 for the Jute year 2006-07; and

(c) if so, what are the reasons for not accepting the recommendation?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) Yes, Sir.

(b) Yes, Sir. The 14th Standing Advisory Committee (SAC) recommended reservation of 75% for foodgrains and 70% for sugar for the jute year 2006-07 (July-June)

(c) The Central Government considered the views of the Government of Gujarat and the recommendations of the SAC. However, in order to protect the interest of the Jute growers, jute workers and the jute industry, the Central Government has taken a decision that during the jute year 2006-07 (July-June), 100% compulsory packaging in jute bags for foodgrains and sugar should be continued, as it was in jute year 2005-06.

Investment in textile industry

1629. SHRI SANJAY RAUT: Will the Minister of TEXTILES be pleased to state:

(a) what is the need-based investment required to be made in the textile industry by 2010 and what is the investment made so far;

(b) whether the investment made so far is lagging behind the need-based requirement , if so, what steps are being taken to promote investment in the industry; and

(c) what would be the impact on the textile industry, if the investment does not place as required?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) As per the **"Vision Statement for the Textile Sector"** made by the **Indian Cotton Mills' Federation** in August 2004, an investment of Rs. 140.000 crore for the textile sector is required by 2010 towards machinery. Against this requirement, the investment made by the textile industry, based on the indigenous demand of the textile machinery is estimated to be Rs. 74640 crore up to 31.8.2006.

(b) No, Sir. Domestic companies have accelerated the pace of investment in the textile sector in the recent years in tandem with favourable schemes and policy measures introduced by Government. A list of such measures is enclosed as Statement (*see* below). The pace of investment is also increasing subsequent to quota phase out and industry is, therefore, expected to easily reach the targeted investment of Rs. 1,40,000 crore by 2010.

(c) Does not arise.

Statement

Important measures taken by the Government in the recent past to help the textile sector

(i) To improve productivity and quality of cotton for manufacture and export of competitive downstream textile products, Government has launched the **Technology Mission on Cotton (TMC).** The mission has achieved success in increasing the productivity and reducing the contamination through upgradation of cotton market yards and modernisation of Ginning & Pressing factories.

(ii) **The Technology Upgradation Fund Scheme (TUFS)** was launched to facilitate the modernisation and upgradation of the textile industry both in the organised and unorganised sector. The Scheme has been further fine tuned to increase the rapid investments in the targeted sub-sectors of the textile industry. The cost of machinery has been further brought down by reducing the customs duty on imports.

(iii) For speedy modernisation of the textile processing sector,

Government has introduced *w.e.f.* 20.04.05, a credit linked capital subsidy scheme @10% under TUFS, in addition to the existing 5% interest reimbursement.

(iv) To provide the textile industry with world-class infrastructure facilities for setting up their textile units meeting international environmental and social standards, a Public-Private Partnership (PPP) based scheme known as the **"Scheme for Integrated Textile Park (SITP)"** has been introduced in **August 2005.**

(v) In 2004-05 Budget, the entire textile sector, except for man-made fibre and filament yarn was provided optional exemption from excise duty. In 2005-06 Budget, Central Value-aided Tax (CENVAT) on Polyester Filament Yarn has been reduced from 24% to 16%. These modifications in fiscal levies aim at attracting more investments for modernization of textile sector.

(vi) To facilitate import of state of the art machinery to make our products internationally competitive in post quota regime, in 2005-06 Budget, the customs duty on textile machinery has been brought down to 10% except 23 machinery appearing in List 49 which attracts Basic Customs Duty (BCD) of 15%. The concessional duty of 5% continues to be at 5% on most of the machinery items.

(vii) In 2005-06 Budget, 30 items of knitting and knitwear have been de-reserved. This would facilitate setting up of large sized modernized units for meeting the international competition.

(viii) In the Budget 2006-07 the following important announcements for the textile sector have been made:—

- Reduction in the excise duty on all man-made fibre yarn and filament yarn from 16 per cent to 8 per cent.
- Reduction in the import duty on all man-made fibres and yarns from 15 per cent to 10 per cent.
- Reduction in the import duty on raw materials such as DMT, PTA and MEG be from 15 per cent to 10 per cent.
- Provision of Rs. 189 crore during 2006-07 for the Scheme for Integrated Textiles Parks (SITP).

(ix) Government has launched the Debt Restructuring Scheme w.e.f Sept., 2003 with the principal objective to permit banks to lend to the textile sector at 8-9% rate of interest.

(x) In order to cater to the growing skilled manpower requirements at shop floor level, Government is providing assistance for strengthening existing and opening new **Apparel Training and Design Centres (ATDCs).**

(xi) Government has allowed 100% Foreign Direct Investment in the textile sector under automatic route.

(xii) Government has de-reserved the readymade garments, hosiery and knitwear from SSI sector so that large scale investments may be encouraged in these sectors.

(xiii) **National Institute of Fashion Technology (NIFT)** has been set up to provide the leardership role in sensitizing the Industry to the concept of value addition by inducting trained professionals to manage the industry. This has resulted in an increased demand for trained professionals in various sectors servicing the industry.

(xiv) To take a serious look at Fashion Education in the changing business context of the opening up of World Economies, Governmnt is taking steps for:—

- Establishing an institution of National Excellence for imparting Fashion Business Education with International Benchmarking.
- Appointing a nodal agency for standardizing and benchmarking Fashion Business Education in the country.
- Setting up an Apex Body to train the teachers/trainers imparting Fashion Business Education in the country.

Setting up of Apparel Park in Orissa

1630. MS. PRAMILA BOHIDAR:
SHRI B.J. PANDA:

Will the Minister of TEXTILES be pleased to state:

(a) whether it is proposed to set up an Apparel Park in Chandaka